



C @ LIMITED

ABN 99 110 439 686

NOTICE OF GENERAL MEETING

TIME: 8.30am (WST)

DATE: Monday, 6 September 2010

PLACE: The Celtic Club
48 Ord Street
West Perth WA 6005

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 9321 6988.

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of C @ Limited (**Company**) will be held at the The Celtic Club, 48 Ord Street, West Perth Western Australia on 6 September 2010 at 8.30am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 4 September 2010 at 8.30am (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Sections 5 of the Explanatory Memorandum.

AGENDA

1. Resolution 1 – Authority to grant Incentive Options to Mr Terence Mark Earley

To consider, and if thought fit, pass the following resolution with or without amendment as an ordinary resolution:

*"That, in accordance with Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise the Company to grant 45,900,000 options exercisable at \$0.01 each on or before 5pm (EST) on the date that is three years from the date of grant (**Incentive Options**) to Mr Terence Mark Earley or his nominee on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr Terence Mark Earley and any of his associates. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
 - (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
-

Dated 2 August 2010

BY ORDER OF THE BOARD



JADE STYANTS
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 6 September 2010 at 8.30am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolution in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

3. Background Information

As announced on 27 July 2010, the Company has entered into an executive service agreement (**Executive Service Agreement**) with Mr Terence Mark Earley whereby Mr Earley was appointed as the Managing Director of the Company subject to:

- (a) Shareholder approval for the grant of the options forming part of his remuneration package (being the Incentive Options the subject of Resolution 1); and
- (b) the Company successfully completing a capital raising of not less than \$1.5 million (before costs).

Mr Earley has over 30 years experience in the coal industry in the key areas of operations, project development, mine management and senior advisory roles. Mr Earley has also been involved in greenfield mine developments in both Australia and Indonesia, has advised on several successful start up projects and holds a masters degree in mining engineering.

Mr Earley's technical, project development and commercial skill set has seen him work and lead teams on significant coal projects throughout the world.

Most recently Mr Earley held the position of executive director of Barlow Jonker Pty Ltd, one of the world's leading coal advisory and research firms. In his role Mr Earley led the

significant growth in the company's global advisory services by focusing on due diligence and asset screening which he aligned with the company's existing coal pricing and market review work undertaken for its global client base that included mining companies, non miners, banks and institutional investors.

Some of Mr Earley's advisory roles included leading the independent due diligence for Banpu Public Company Limited (Thailand) on the Daning Mine in Southern Shanxi, China and technical lead the World Bank's audit of Vietnam National Coal Corporation. Previously Mr Earley held senior positions with Oakbridge Pty Ltd including the role of the Head of Business Development, General Manager of the Clarence Colliery (NSW) and Manager of the Baal Bone open cut mine (NSW).

Other prior operational roles include development of one of the early Indonesian coal projects, the Petangis Coal Mine with Henry Walker (Indonesian) and initial development of the Stratford Mine in Gloucester Basin (NSW).

4. Resolution 1 – Authority to grant Incentive Options to Mr Terence Mark Earley

4.1 Background

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 10.11 for the grant of the Incentive Options to Mr Terence Mark Earley or his nominee as the incentive component of the Executive Service Agreement for his appointment as Managing Director of the Company.

Further details of Mr Earley's proposed employment with the Company is outlined above in Section 3 – Background Information.

Pursuant to Listing Rule 10.11, a 'related party' of a listed company is precluded from participating in any issue of securities in a company without the prior approval of Shareholders.

Mr Earley is regarded as a 'related party' of the Company by reason of the intention of the Company to appoint him as a Director following the Meeting.

4.2 Specific information required by ASX Listing Rule 10.13

For the purposes of Shareholder approval of the grant of the Incentive Options and the requirements of Listing Rule 10.13, information is provided as follows:

- (a) The Incentive Options will be granted to Mr Terence Mark Earley (or his nominee).
- (b) The maximum number of securities the Company can grant under Resolution 1 is 45,900,000 options.
- (c) The Incentive Options will be granted no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Incentive Options will be granted for no consideration.

(e) The Incentive Options will be granted to Mr Earley in three classes:

Incentive Option Class	Number	Exercise Price	Price at which Options Vest	Expiry Date
Class A	32,130,000	\$0.01	n/a	5pm (EST) on the date 3 years from the date of grant
Class B	6,885,000	\$0.01	\$0.012	5pm (EST) on the date 3 years from the date of grant
Class C	6,885,000	\$0.01	\$0.014	5pm (EST) on the date 3 years from the date of grant

- (f) Refer to Schedule 1 for further terms and conditions of the Incentive Options.
- (g) Upon exercise of the Incentive Options, the Shares will be issued on a one for one basis on the same terms as the Company's then existing Shares.
- (h) A voting exclusion statement is included in the Notice.
- (i) No funds will be raised from the grant of the Incentive Options as they are being issued as an incentive component of Mr Earley's remuneration package.

5. Definitions

In this Explanatory Memorandum and Notice:

\$ means Australian Dollars.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

C@ and **Company** means C@ Limited ABN 99 110 439 686.

Constitution means the Constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

EST means Eastern Standard Time, being the time in Sydney, New South Wales

Executive Service Agreement has the meaning in Section 3, of the Explanatory Memorandum.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Incentive Options has the meaning in Resolution 1.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 - Terms and Conditions of Incentive Options

The Incentive Options are issued on the terms set out below:

1. Entitlement

Each Incentive Option entitles the holder to subscribe for and be issued one Share upon exercise of each Incentive Option.

2. Exercise Price

The exercise price of each Incentive Option is \$0.01 (**Exercise Price**)

3. Expiry Date

(a) Subject to paragraph 3(b), the expiry date of each option is 5pm (EST) on the date three years from the date of grant (**Expiry Date**).

(b) If the employment of the Incentive Option holder is terminated pursuant to clause 9.1 of the Executive Service Agreement, any unvested Incentive Options shall immediately be cancelled and any vested Incentive Options shall be cancelled on the date that is 30 days after the termination of the Incentive Option holders employment, unless already exercised.

(c) Any Incentive Option that has not been exercised prior to the Expiry Date automatically lapses.

4. Vesting Conditions

(a) The Incentive Options have the following vesting conditions:

(i) the Class A Incentive Options vest upon grant;

(ii) the Class B Incentive Options vest upon the date the Shares of the Company attain a 30-day VWAP of \$0.012 or more per Share; and

(iii) the Class C Incentive Options vest upon the date the Shares of the Company attain a 30-day VWAP of \$0.014 or more per Share.

(b) Each Incentive Option is exercisable at any time after the later of the date of grant of the Incentive Option and the date on which the vesting condition is satisfied (if applicable) and before the Expiry Date.

(c) For the purposes of this paragraph 4:

(i) "**VWAP**" means the "Volume Weighted Average Price" calculated by adding-up the total dollar value traded for all transactions (closing Share price for that day multiplied by the number of Shares traded) and then dividing by the total quantity of Shares traded for the day, as expressed in the following formula:

$$\text{VWAP} = \frac{\text{Number of Shares Brought} \times \text{Share Price}}{\text{Total Shares Brought}}$$

(ii) VWAP shall be determined by the Company's auditors and that determination shall be made and disclosed to the Board and the Incentive Option holder whenever so required.

5. Notice of Exercise

Subject to satisfaction of the vesting conditions in paragraph 4, the Incentive Options may be exercised by the Incentive Option holder completing a notice of exercise and delivering it to the Company's registered office together with the payment for the number of Shares in respect of which the Options are exercised.

Incentive Option holders shall not be entitled to exercise their Incentive Options (and the Company will not be required to issue Shares upon such exercise) if it would be unlawful to do so.

6. Shares Issued on Exercise

Shares issued on exercise of the Incentive Options will rank pari passu in all respects with, and will have the same terms as the Company's then issued Shares.

7. Official Quotation of Shares on Exercise

Application will be made by the Company to ASX for Official Quotation of the Shares issued upon the exercise of the Incentive Options, subject to any restriction obligations imposed by ASX.

8. Participation in New Issues

There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of securities offered to Shareholders without first exercising the Incentive Option. Subject to any waiver granted by the ASX, the Company will send notices to Incentive Option holder/s at least five business days prior to the record date applying to offers of securities made to Shareholders during the currency of the Incentive Options.

9. Adjustments for Reorganisation

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of options or the exercise price of the options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.

10. Rights to Receive Dividends

The Incentive Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Incentive Options.

11. Transfer of Incentive Options

Subject to the Corporations Act, the Listing Rules and the Constitution and the prior written consent of the Board (which consent will not be unreasonably withheld) and unless otherwise specified at the time of issue, the Incentive Options are freely transferrable in accordance with clause 8.7 of the Executive Services Agreement.

12. Lodgement Instructions

The application for Shares on exercise of Incentive Options with the appropriate remittance should be lodged at the Company's registered office.

C @ LIMITED

ABN 99 110 439 686

PROXY FORM

The Company Secretary
C@ Limited

By delivery:

Suite 1, 64 Thomas Street
West Perth WA 6005

By post:

PO Box 781
West Perth WA 6872

By facsimile:

+61 (0) 8 9321 4022

I/We¹ _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____

votes in the Company, hereby appoint² _____

or failing such appointment the chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 6 September 2010 at 8.30am (WST) and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion of votes that this proxy is authorised to exercise is * []% of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

Instructions as to Voting on Resolution

The chairman of the Meeting intends to vote undirected proxies in favour of the Resolution.

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

	For	Against	Abstain
Resolution 1 Authority to grant Incentive Options to Mr Terence Earley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹ Insert name and address of Shareholder

² Insert name and address of proxy

*Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate 'Certificate of Appointment of Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) must be deposited at or received at the Perth office by:

- a) faxing to the Company on fax number +61 (0) 8 9321 4022; or
- b) posting to C @ Limited, PO Box 781, West Perth WA 6872; or
- c) deliver in person to C @ Limited, Suite 1, 64 Thomas Street, West Perth WA 6005,

not less than 48 hours prior to the time of commencement of the Meeting (WST).